



## Office of the Comptroller of the Currency

### FEDERAL RESERVE SYSTEM

### FEDERAL DEPOSIT INSURANCE CORPORATION

#### Proposed Agency Information Collection Activities; Comment Request

**AGENCY:** Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Joint notice and request for comment.

**SUMMARY:** In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the OCC, the Board, and the FDIC (the agencies) may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The Federal Financial Institutions Examination Council (FFIEC), of which the agencies are members, has approved the agencies' publication for public comment of a proposal to revise and extend for three years the Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051), which are currently approved collections of information. The FFIEC has also approved the Board's publication for public comment, on behalf of the agencies, of a proposal to revise and extend for three years the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002), and the Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank (FFIEC 002S), which are also currently approved collections of information. The agencies are requesting comment on: proposed revisions to eliminate and consolidate items in the Call Reports and the FFIEC 002 resulting from the statutorily mandated full review of the Call Reports as required under Section 604 of the Financial Services Regulatory Relief Act of 2006; proposed Call Report process revisions; and reporting of certain Federal Home Loan Mortgage Corporation and similar securitizations on the Call Report. The changes to the Call Reports and

FFIEC 002 are proposed to take effect as of the June 30, 2023, report date.

**DATES:** Comments must be submitted on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Interested parties are invited to submit written comments to any or all of the agencies. All comments will be shared among the agencies.

OCC: You may submit comments, by any of the following methods:

- Email: [prainfo@occ.treas.gov](mailto:prainfo@occ.treas.gov).
- Mail: Chief Counsel's Office, Office of the Comptroller of the Currency, Attention: 1557-0081, 400 7th Street, SW, suite 3E-218, Washington, DC 20219.
- Hand Delivery/Courier: 400 7th Street, SW, suite 3E-218, Washington, DC 20219.

Instructions: You must include "OCC" as the agency name and "1557-0081" in your comment.

In general, the OCC will publish comments on [www.reginfo.gov](http://www.reginfo.gov) without change, including any business or personal information provided, such as name and address information, e-mail addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

You may review comments and other related materials that pertain to this information collection beginning on the date of publication of the second notice for this collection by the following method:

- **Viewing Comments Electronically:** Go to [www.reginfo.gov](http://www.reginfo.gov). Click on the "Information Collection Review" tab. Underneath the "Currently under Review" section heading, from the drop-down menu select "Department of Treasury" and then click "submit." This information collection can be located by searching by OMB control number "1557-0081." Upon finding the appropriate information collection, click on the related "ICR Reference Number." On the

next screen, select “View Supporting Statement and Other Documents” and then click on the link to any comment listed at the bottom of the screen.

- For assistance in navigating [www.reginfo.gov](http://www.reginfo.gov), please contact the Regulatory Information Service Center at (202) 482-7340.

Board: You may submit comments, which should refer to “Call Report and FFIEC 002 Revisions,” by any of the following methods:

- Agency website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at: <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Email: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include “Call Report and FFIEC 002 Revisions” in the subject line of the message.
- Fax: (202) 395-6974.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available on the Board’s website at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information.

FDIC: You may submit comments, which should refer to “Call Report and FFIEC 002 Revisions,” by any of the following methods:

- Agency Website: <https://www.fdic.gov/resources/regulations/federal-register-publications/>. Follow the instructions for submitting comments on the FDIC’s website.
- Email: [comments@FDIC.gov](mailto:comments@FDIC.gov). Include “Call Report and FFIEC 002 Revisions” in the subject line of the message.
- Mail: Manuel E. Cabeza, Counsel, Attn: Comments, Room MB-3128, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429.

- Hand Delivery: Comments may be hand delivered to the guard station at the rear of the 550 17th Street NW building (located on F Street NW) on business days between 7:00 a.m. and 5:00 p.m.
- Public Inspection: All comments received will be posted without change to <https://www.fdic.gov/resources/regulations/federal-register-publications/>, including any personal information provided. Paper copies of public comments may be requested from the FDIC Public Information Center by telephone at (877) 275-3342 or (703) 562-2200.

Additionally, commenters may send a copy of their comments to the OMB desk officer for the agencies by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503; by fax to (202) 395-6974; or by email to [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov).

**FOR FURTHER INFORMATION CONTACT:** For further information about the proposed revisions to the information collections discussed in this notice, please contact any of the agency staff whose names appear below. In addition, copies of the report forms for the Call Reports can be obtained at the FFIEC's website ([https://www.ffiec.gov/ffiec\\_report\\_forms.htm](https://www.ffiec.gov/ffiec_report_forms.htm)).

OCC: Kevin Korzeniewski, Counsel, Chief Counsel's Office, (202) 649-5490. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

Board: Nuha Elmaghrabi, Federal Reserve Board Clearance Officer, (202) 452-3884, Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call (202) 263-4869.

FDIC: Manuel E. Cabeza, Counsel, (202) 898-3767, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429.

**SUPPLEMENTARY INFORMATION:**

## **I. Affected Reports**

The proposed changes discussed below affect the Call Reports and the FFIEC 002.

### **A. Call Report**

The agencies propose to extend for three years, with revision, their information collections associated with the FFIEC 031, FFIEC 041, and FFIEC 051 Call Reports.

Report Title: Consolidated Reports of Condition and Income (Call Report).

Form Number: FFIEC 031 (Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices), FFIEC 041 (Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only), and FFIEC 051 (Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets Less Than \$5 Billion).

Frequency of Response: Quarterly.

Affected Public: Business or other for-profit.

Type of Review: Revision and extension of currently approved collections.

#### **OCC:**

OMB Control No.: 1557-0081.

Estimated Number of Respondents: 1,042 national banks and federal savings associations.

Estimated Average Burden per Response: 41.97 burden hours per quarter to file.

Estimated Total Annual Burden: 174,931 burden hours to file.

#### **Board:**

OMB Control No.: 7100-0036.

Estimated Number of Respondents: 702 state member banks.

Estimated Average Burden per Response: 45.18 burden hours per quarter to file.

Estimated Total Annual Burden: 126,865 burden hours to file.

#### **FDIC:**

OMB Control No.: 3064-0052.

Estimated Number of Respondents: 3,076 insured state nonmember banks and state savings associations.

*Estimated Average Burden per Response:* 39.93 burden hours per quarter to file.

*Estimated Total Annual Burden:* 491,299 burden hours to file.

The estimated average burden hours collectively reflect the estimates for the FFIEC 031, the FFIEC 041, and the FFIEC 051 reports for each agency. When the estimates are calculated by type of report across the agencies, the estimated average burden hours per quarter are 85.75 (FFIEC 031), 56.26 (FFIEC 041), and 35.15 (FFIEC 051). The changes to the Call Report forms and instructions proposed in this notice resulted in the following estimated changes in burden hours per quarter. For the FFIEC 031 report, the revisions resulted in an average decrease across all agencies of approximately 0.7 hours per quarter; for the FFIEC 041 report, the revisions resulted in an average increase across all agencies of approximately 0.73 hours per quarter; and for the FFIEC 051 report, the revisions resulted in an average decrease across all agencies of approximately 0.23 hours per quarter. Generally, the proposed revisions related to the statutorily mandated review would result in a decrease in average burden for all report types. However, changes in the number of institutions filing each type of report, and changes to the amount of data items reported in each report since December 31, 2021, resulted in an average increase across all agencies in estimated burden for the FFIEC 041. The estimated burden per response for the quarterly filings of the Call Report is an average that varies by agency because of differences in the composition of the institutions under each agency's supervision (e.g., size distribution of institutions, types of activities in which they are engaged, and existence of foreign offices).

*Type of Review:* Extension and revision of currently approved collections. In addition to the proposed revisions discussed below, Call Reports are periodically updated to clarify instructional guidance and correct grammatical and typographical errors on the forms and

instructions, which are published on the FFIEC website.<sup>1</sup> These non-substantive updates may also be commented upon.

## **Legal Basis and Need for Collections**

The Call Report information collections are mandatory: 12 U.S.C. 161 (national banks), 12 U.S.C. 324 (state member banks), 12 U.S.C. 1817 (insured state nonmember commercial and savings banks), and 12 U.S.C. 1464 (federal and state savings associations). At present, except for selected data items and text, these information collections are not given confidential treatment.

Banks and savings associations submit Call Report data to the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. Call Report data serve a regulatory or public policy purpose by assisting the agencies in fulfilling their shared missions of ensuring the safety and soundness of financial institutions and the financial system and protecting consumer financial rights, as well as agency-specific missions affecting federal and state-chartered institutions, such as conducting monetary policy, ensuring financial stability, and administering federal deposit insurance. Call Reports are the source of the most current statistical data available for identifying areas of focus for on-site and off-site examinations. Among other purposes, the agencies use Call Report data in evaluating institutions' corporate applications, including interstate merger and acquisition applications for which the agencies are required by law to determine whether the resulting institution would control more than 10 percent of the total amount of deposits of insured depository institutions in the United States. Call Report data also are used to calculate the risk-based assessments for insured depository institutions.

## **B. FFIEC 002 and 002S**

The Board proposes to extend for three years, with revision, the FFIEC 002 and FFIEC 002S reports.

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<sup>1</sup> [www.ffiec.gov/forms031.htm](http://www.ffiec.gov/forms031.htm); [www.ffiec.gov/forms041.htm](http://www.ffiec.gov/forms041.htm); [www.ffiec.gov/forms051.htm](http://www.ffiec.gov/forms051.htm).

Report Titles: Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks;  
Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S.  
Branch or Agency of a Foreign (Non-U.S.) Bank.

Form Numbers: FFIEC 002; FFIEC 002S.

OMB Control Number: 7100-0032.

Frequency of Response: Quarterly.

Affected Public: Business or other for-profit.

Respondents: All state-chartered or federally-licensed U.S. branches and agencies of foreign banking organizations, and all non-U.S. branches managed or controlled by a U.S. branch or agency of a foreign banking organization.

Estimated Number of Respondents: FFIEC 002—209; FFIEC 002S—38.

Estimated Average Burden per Response: FFIEC 002—24.87 hours; FFIEC 002S—6.0 hours.

Estimated Total Annual Burden: FFIEC 002—20,791 hours; FFIEC 002S—912 hours.

Type of Review: Extension and revision of currently approved collections.

The proposed revisions to the FFIEC 002 instructions in this notice would not have a material impact on the existing burden estimates.

### **Legal Basis and Need for Collection**

On a quarterly basis, all U.S. branches and agencies of foreign banks are required to file the FFIEC 002, which is a detailed report of condition with a variety of supporting schedules. This information is used to fulfill the supervisory and regulatory requirements of the International Banking Act of 1978. The data also are used to augment the bank credit, loan, and deposit information needed for monetary policy and other public policy purposes. In addition, FFIEC 002 data are used to calculate the risk-based assessments for FDIC-insured U.S. branches of foreign banks. The FFIEC 002S is a supplement to the FFIEC 002 that collects information on assets and liabilities of any non-U.S. branch that is managed or controlled by a U.S. branch or agency of the foreign bank. A non-U.S. branch is managed or controlled by a U.S. branch or



agency if a majority of the responsibility for business decisions, including but not limited to decisions with regard to lending or asset management or funding or liability management, or the responsibility for recordkeeping in respect of assets or liabilities for that foreign branch resides at the U.S. branch or agency. A separate FFIEC 002S must be completed for each managed or controlled non-U.S. branch. The FFIEC 002S must be filed quarterly along with the U.S. branch or agency's FFIEC 002.

These information collections are mandatory (12 U.S.C. 3105(c)(2), 1817(a)(1) and (3), and 3102(b)). Except for select sensitive items, the FFIEC 002 is not given confidential treatment; the FFIEC 002S is given confidential treatment (5 U.S.C. 552(b)(4) and (8)). The data from both reports are used for (1) monitoring deposit and credit transactions of U.S. residents; (2) monitoring the impact of policy changes; (3) analyzing structural issues concerning foreign bank activity in U.S. markets; (4) understanding flows of banking funds and indebtedness of developing countries in connection with data collected by the International Monetary Fund and the Bank for International Settlements that are used in economic analysis; and (5) assisting in the supervision of U.S. offices of foreign banks. The Federal Reserve System collects and processes these reports on behalf of all three agencies.

## **II. Current Actions**

### **A. Statutorily Mandated Review of the Call Report**

#### **1. Background**

Section 604 of the Financial Services Regulatory Relief Act of 2006 requires the agencies to perform within one year of enactment and every five years thereafter, the review of information collected in the Call Reports (statutorily mandated review) to “reduce or eliminate any requirement to file information or schedules under paragraph (3) (other than information or schedules that are otherwise required by law)” if the agencies determine that “the continued collection of such information or schedules is no longer necessary or appropriate.”<sup>2</sup> The agencies

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<sup>2</sup> 12 U.S.C. 1817(a)(11).

conducted the 2022 statutorily mandated review between June 2021 and March 2022.<sup>3</sup> Over this period, staff at the FFIEC member entities who are users of Call Report data, representing a wide variety of functional areas, participated in a series of three surveys and conducted an analysis of recent reporting by Call Report respondents. As an integral part of these surveys, users were asked to explain the need for the continued collection of each Call Report data item, how the data item is used, the frequency with which it is needed, and the threshold for the population of institutions by asset size from which it is required. Based on these survey results, the agencies are proposing certain revisions in this notice.

## **2. Proposed Call Report Revisions**

### **FDIC Loss-sharing Agreements Items**

FDIC loss-sharing agreements indemnified institutions for certain losses incurred on specified assets acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by such agreements with the FDIC. Under a loss-sharing agreement, the FDIC agreed to absorb a portion of the losses on a specified pool of a failed insured depository institution's assets to maximize asset recoveries and minimize the FDIC's losses. The number of institutions reporting on the related items has decreased as loans, other real estate, and other assets covered by loss-sharing agreements with the FDIC have largely been paid-off or sold. Additionally, all loss-sharing agreements have expired or have been terminated. Therefore, the agencies no longer consider the current level of detail on these agreements to be appropriate and are proposing to eliminate the following associated items:

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<sup>3</sup> The 2017 statutorily mandated review was accelerated as part of the 2014 FFIEC initiative to identify potential opportunities to reduce burden associated with the Call Report requirements for community banks. The initiative resulted in the creation of a new streamlined FFIEC 051 Call Report for eligible small institutions that took effect as of the March 31, 2017, report date. It also resulted in significant reductions to the number of data items reported, changes in the frequency of items collected, and increases in reporting thresholds for certain data items on the FFIEC 041 and the FFIEC 031 Call Reports. In addition, the agencies issued a final rule in June 2019 implementing Section 205 of the Economic Growth, Regulatory Relief, and Consumer Protection Act, expanding the eligibility for institutions to complete the FFIEC 051 Call Report. *See* 84 FR 29039 (June 21, 2019).

- For all versions of the Call Report, Schedule RC-F, Other Assets, item 6.d, “FDIC loss-sharing indemnification assets,” which represent the carrying amount of the right to receive payments from the FDIC for losses incurred under loss-sharing agreements.

- For FFIEC 031 and FFIEC 041, Schedule RC-M, Memoranda, item 13, “Assets covered by loss-agreements with the FDIC,” including each subitem 13.a.(1)(a)(1) through 13.d. These items include, for each appropriate class of asset, the balance sheet carrying amount of all assets acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements.

- For the FFIEC 031, item 13.b.(6), “In foreign offices.”

- For FFIEC 031 and FFIEC 041, Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets, item 12, “Loans and leases reported in items 1 through 8 above that are covered by loss-sharing agreements with the FDIC,” including each subitem 12.a.(1)(a) through 12.f. Items 12.a.(1)(a) through 12.e include the amount of all loans and leases covered by FDIC loss-sharing agreements that are past due 30 days or more or are in nonaccrual status as of the report date. Item 12.f includes the associated maximum amount recoverable from the FDIC, beyond the amount reflected in the loss-sharing indemnification assets.

- For the FFIEC 051, Schedule SU, Supplemental Information, item 9 “Does the institution have assets covered by FDIC loss-sharing agreements?” and items 9.a through 9.e, which report, as appropriate, the amount of loans, leases and other real estate owned that are covered by FDIC loss-sharing agreements, and details of amounts that are past due 30 days or more or are in nonaccrual status, and the maximum amount recoverable from the FDIC.

### **Noncash Income from Negative Amortization Loans**

Negative amortization loans contractually permit a borrower to make minimum periodic payments that are less than the full amount of interest owed to the lender, with the unpaid interest added to the loan’s principal balance. Based on the results of the 2022 statutorily mandated full review, the agencies are proposing to remove one item related to negative amortization loans.

The agencies are proposing this removal based on the decline in volume of institutions reporting of noncash income on negative amortization loans secured by 1-4 family residential properties to a level no longer deemed necessary to collect. The agencies would be able to continue monitoring the level of activity on negative amortization loans by reviewing the data reported on Schedule RC-C, Memorandum items 8.a through 8.c. Therefore, for all versions of the Call Report, the agencies are proposing to remove Schedule RI, Income Statement, Memorandum item 12, “Noncash income from negative amortization on closed end loans secured by 1-4 family residential properties.”

### **Reverse Mortgages Items**

A reverse mortgage is an arrangement in which a homeowner borrows against the equity in a principal residence and receives cash either in a lump sum or through periodic payments and no payment is required from the borrower until the home is no longer used as the borrower’s principal residence. Based on the results of the 2022 statutorily mandated full review, the agencies no longer need the current level of detail on this activity and are proposing, for all versions of the Call Report, to consolidate the subitems reported in Schedule RC-C, Loans and Lease Financing Receivables, Part I, Loans and Leases, Memorandum item 15, “Reverse mortgages,”<sup>4</sup> which is completed annually in the December report only.

Specifically, the proposal would consolidate Memorandum item 15.a.(1) and Memorandum item 15.a.(2) into Memorandum item 15.a, “Reverse mortgages outstanding that are held for investment (included in Schedule RC-C, item 1.c, above).” Similarly, Memorandum item 15.b.(1) and Memorandum item 15.b.(2) would be consolidated into Memorandum item 15.b, “Estimated number of reverse mortgage loan referrals to other lenders during the year from whom compensation has been received for services performed in connection with the origination of the reverse mortgages.” Finally, Memorandum item 15.c.(1) and Memorandum item 15.c.(2)

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<sup>4</sup> For FFIEC 031 only, “Reverse mortgages in domestic offices.”

would be consolidated into Memorandum item 15.c, “Principal amount of reverse mortgage originations that have been sold during the year.”

### **Paycheck Protection Program and Federal Reserve Facilities Items**

To enhance the functioning of money markets in response to the outbreak of the coronavirus disease 2019 and to bolster the effectiveness of the Small Business Administration’s Paycheck Protection Program (PPP),<sup>5</sup> the Board, with the approval of the Secretary of the Treasury, established in 2020 the Money Market Mutual Fund Liquidity Facility (MMLF) and Paycheck Protection Program Liquidity Facility (PPPLF).<sup>6</sup> Under the MMLF, the Federal Reserve Bank of Boston extended loans to eligible borrowers to purchase assets from money market mutual funds, which were posted as collateral to the facility. Under the PPPLF, Federal Reserve Banks extended loans to eligible borrowers that were secured by covered loans originated under the PPP. In March 2020 and April 2020, the agencies published interim final rules (subsequently finalized in October 2020), which permit banking organizations to exclude from regulatory capital requirements exposures related to the MMLF and PPPLF.<sup>7</sup> On June 26, 2020, the FDIC adopted a final rule modifying the deposit insurance assessment regulations to mitigate the assessment effects of participation in the MMLF, PPP and the PPPLF, as reported on the Call Report.<sup>8</sup> Starting with the June 30, 2020, report date, banking organizations report amounts related to the MMLF, the PPP and PPPLF on Schedule RC-M, Memoranda. When adding these items, the agencies noted that these items were expected to be time-limited and would be reviewed in connection with the 2022 statutorily mandated review of the Call Report.<sup>9</sup>

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<sup>5</sup> See <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program>.

<sup>6</sup> These facilities were established pursuant to section 13(3) of the Federal Reserve Act (12 U.S.C. 343(3)). See <https://www.federalreserve.gov/monetarypolicy/mmlf.htm> and <https://www.federalreserve.gov/monetarypolicy/ppplf.htm>. The PPPLF was previously known as the Paycheck Protection Program Lending Facility.

<sup>7</sup> 85 FR 16232 (March 23, 2020), 85 FR 20387 (April 13, 2020) and 85 FR 68243 (October 28, 2020).

<sup>8</sup> 85 FR 38282 (June 26, 2020).

<sup>9</sup> 85 FR 44366 (July 22, 2020).

The MMLF ceased extending credit on March 31, 2021, and as of April 30, 2021, the outstanding amount of loans under the facility was zero dollars.<sup>10</sup> The agencies are therefore proposing to remove Schedule RC–M, Memoranda, item 18.a, “Outstanding balance of assets purchased under the MMLF” and 18.b, “Quarterly average amount of assets purchased under the MMLF and excluded from “Total assets for the leverage ratio” reported in Schedule RC-R, Part I, item 30” on all versions of the Call Reports.

The PPP ended on May 31, 2021, and the PPPLF ceased offering credit on July 30, 2021. However, during the 2022 statutorily mandated full review, the number and outstanding balance of PPP loans, along with the related outstanding balance pledged to the PPPLF, as reported by institutions on Schedule RC-M, items 17.a, 17.b and 17.c, were identified as continuing to be critical in the review of asset quality and other components of the Uniform Financial Institutions Rating System used by the agencies during safety and soundness examinations. In addition, item 17.b, outstanding balance of PPP loans along with items 17.d.(1) and 17.d.(2) that collect information on the remaining maturity of the outstanding balances of borrowings from the Federal Reserve Banks under the PPPLF were deemed required for FDIC deposit insurance assessment purposes. Finally, item 17.e, “Quarterly average amount of PPP loans pledged to the PPPLF and excluded from “Total assets for the leverage ratio” reported in Schedule RC-R, Part I, item 30” continues to be needed for regulatory capital purposes. The agencies will continue to monitor the PPP-related data items and plan to propose to discontinue the collection of these items once the aggregate industry activity has diminished to a point where individual institution information is of limited practical utility and is no longer needed for the purposes described above.

### **3. Proposed Revisions to FFIEC 002**

To maintain consistency of reporting between the Call Report and the FFIEC 002, and for the same reasons described earlier, the Board is proposing to remove the following item:

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<sup>10</sup> See <https://www.federalreserve.gov/monetarypolicy/mmlf.htm>.

- Schedule O, Other Data for Deposit Insurance Assessments, Memorandum item 7, “Quarterly average amount of holdings of assets purchased from money market funds under the Money Market Mutual Fund Liquidity Facility.”

The Board would plan to remove Schedule O, Memorandum item 6, “Outstanding balance of Paycheck Protection Program (PPP) loans” contemporaneous with removal of the PPP loan items on the Call Report as described above.

## **B. Proposed Call Report Process Revisions**

In addition to the proposed revisions to the Call Report, the agencies are requesting comment on two proposed process improvements to streamline preparation of the Call Report.

### **Format of Call Report Instructions**

Each quarter, the FFIEC and FDIC make available on their websites the Instructions for the Preparation of the Call Report, together with detailed updates to the Call Report instructions implemented for that quarter-end report date.<sup>11</sup> The instructions and updates are formatted in a double-sided, printable format, including fixed page numbering and pages intentionally left blank, to facilitate the use of a hard copy stored in a binder (binder format). The agencies make the instructions available online in a Portable Document Format (PDF) format, and many institutions access and use the instructions in that format. However, continuing to maintain the instructions in a binder format increases the number of blank space and blank pages in the PDF files, which makes the document longer by increasing the number of pages in the document and could make using the instructions less efficient for users accessing the instructions electronically. Therefore, the agencies are seeking comment on the benefits and burdens, if any, of maintaining the PDF format of the instructions and updates only instead of continuing to support the binder format.

### **Optional Tax Worksheet**

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<sup>11</sup> There is a combined set of instructions for the FFIEC 031 and FFIEC 041 and a separate set of instructions for the FFIEC 051.

Each quarter the FFIEC and FDIC make available on their websites the optional tax worksheet, which is designed to assist certain institutions in the calculation of applicable income taxes for the year-to-date reporting period on the FFIEC 041 and FFIEC 051 Call Reports. Institutions are not required to use the optional tax worksheet and may use any reasonable approach for reporting applicable income taxes in their Call Report in accordance with Accounting Standards Codification (ASC) Topic 740, Income Taxes. The optional worksheet provides a simplified approach for calculating year-to-date applicable income taxes under ASC Topic 740. It should not be used by institutions that prepare quarterly financial statements in accordance with U.S. generally accepted accounting principles (GAAP) or where it will likely result in significantly lower applicable income taxes than as calculated under U.S. GAAP. In addition, the worksheet should not be used by institutions that are, for federal income tax purposes, either "S corporations" or "qualifying subchapter S subsidiaries" as of June 30, 2022, and that are generally not subject to federal corporate income taxes. The agencies have determined that a limited number of institutions is accessing the optional tax worksheet on the applicable websites. Therefore, the agencies are seeking comment on the continued usefulness of the optional tax worksheet to Call Report filers or other stakeholders and any concerns if the agencies discontinue its publication.

### **C. Federal Home Loan Mortgage Corporation and Other Securitization Structures**

The Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac) may acquire and securitize guaranteed bonds that are issued by third party trusts and backed by multifamily loans through a variety of structures, such as "K-Deals" and "Q-Deals".<sup>12</sup> The June 2022 Call Report instruction book update and Supplemental Instructions included a technical clarification, indicating that structured financial products that are guaranteed by the U.S. government agencies, such as K-Deals and Q-Deals issued by Freddie Mac, are to be reported in Schedule RC-B, Securities, item 5.b, "Structured financial products." The agencies made this technical

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<sup>12</sup> See <https://mf.freddie.mac.com/investors/k-deals> and <https://mf.freddie.mac.com/investors/q-deals>.



clarification to promote consistent reporting treatment after receiving several inquiries on where to report these products. The agencies viewed item 5.b as the most appropriate location to report these products consistent with the pre-existing instructions. However, the agencies subsequently received additional inquiries about reporting Freddie Mac K-Deals and Q-Deals and other structured products in Schedule RC-B, including whether to report the related certificates in Schedule RC-B, item 4, “Mortgage-backed securities (MBS).” Therefore, the agencies are seeking comment on the reporting of these types of structured financial products including those issued or guaranteed by U.S. government or government sponsored agencies.

### **III. Timing**

The proposed revisions to the Call Reports and the FFIEC 002 would first take effect as of the June 30, 2023, report date. The agencies invite comment on any difficulties that institutions would expect to encounter in implementing the systems changes necessary to accommodate the proposed revisions to the Call Reports and FFIEC 002 consistent with this effective date.

### **IV. Request for Comment**

Public comment is requested on all aspects of this joint notice including the questions that were provided in the earlier sections. In addition to the questions included above comment is specifically invited on:

- (a) Whether the proposed revisions to the collections of information that are the subject of this notice are necessary for the proper performance of the agencies’ functions, including whether the information has practical utility;
- (b) The accuracy of the agencies’ estimates of the burden of the information collections as they are proposed to be revised, including the validity of the methodology and assumptions used;
- (c) Ways to enhance the quality, utility, and clarity of the information to be collected;
- (d) Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology; and

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Comments submitted in response to this joint notice will be shared among the agencies.

**Ted Dowd,**  
*Deputy Chief Counsel,*  
*Office of the Comptroller of the Currency.*

**Michele Taylor Fennell,**  
*Deputy Associate Secretary of the Board,*  
*Board of Governors of the Federal Reserve System.*

Dated at Washington, DC, on January 25, 2023.

**James P. Sheesley,**  
*Assistant Executive Secretary,*  
*Federal Deposit Insurance Corporation.*

**Billing Codes**

OCC: 4810-33-P 1/3  
Board: 6210-01-P 1/3  
FDIC: 6714-01-P 1/3

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